

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 25-26, 2005

Reference No.: 2.1c.(6)
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Ross A. Chittenden
Division Chief
Transportation Programming

Ref: **TRAFFIC CONGESTION RELIEF (TCR) PROGRAM PROJECT APPLICATION
AMENDMENT APPROVALS
RESOLUTION TAA-05-07, AMENDING RESOLUTION TA-02-04**

ISSUE:

The Los Angeles County Metropolitan Transportation Authority (LACMTA) requests approval of the attached Resolution for one Traffic Congestion Relief (TCR) project application amendment, with no net change to TCR funding. A fact sheet describing the project is attached.

RECOMMENDATION:

The California Department of Transportation recommends approval.

BACKGROUND:

On November 1, 2000, the California Transportation Commission approved TCR Project #36 – Los Angeles Eastside Transit Extension; build new light rail line in East Los Angeles, from Union Station to Atlantic via 1st Street to Lorena in Los Angeles County. This project was originally approved with a total project cost of \$759,500,000, with \$236,000,000 in approved TCR funds. Other fund sources included in the project funding plan were Congestion Mitigation and Air Quality (CMAQ), Regional Transportation Improvement Program (RSTP), and Federal Section 5309 New Starts.

On April 4, 2002, the project was amended and the funding table revised. The RSTP funds were removed and local funds (Prop A 35%) were added. The LACMTA reported that total project cost had increased to \$826,300,000.

On April 3, 2003, the Commission approved STIP Amendment 02S-052, programming \$191,000,000 in STIP funds for Construction – effectively replacing unallocated TCR funds for Phase 4 – Construction (CON). The TCR funds remained as programmed for Phase 4 – CON.

The Commission took further action to replace the STIP funds via an AB 3090, with \$175,000,000 to be reimbursed at a later date and \$16,000,000 to be a replacement STIP project.

In October 2003, the LACMTA submitted both an application amendment and an AB 1335 Letter of No Prejudice (Letter) request. The Letter request was to allow the agency to fund the project using local funds and seek TCR fund reimbursement in the future. The amendment indicated the overall cost of the project had increased to \$898,814,000, and the project funding plan was updated to show additional local funds were added (Local Lease Revenues) as well as an increase in the existing local funds (Prop A 35% increased from \$47,300,000 to \$123,438,000). However, the application amendment did not show the STIP funds of \$191,000,000 that “replaced” the TCR funds for Phase 4 – CON. Both the application amendment and the Letter request were deferred by the Commission due to economic constraints.

Currently, the LACMTA has submitted an application amendment to update the project schedule and funding plan. The amendment indicates the total project cost is still \$898,814,000. The LACMTA proposes to revise the project funding plan by removing all fund sources except for TCR, STIP AB 3090, and Federal Section 5309 New Starts. The LACMTA further revised the project funding plan by returning a portion of the \$191,000,000 in TCR funds previously replaced with STIP funds. The STIP funds would now become a stand alone funding source and not act as replacement for TCR as originally approved. The only local funds to be used to fund the project are the funds used for the STIP AB 3090 and proposed Letter request. The LACMTA is requesting that \$166,914,000 of the \$191,000,000 in TCR funding for Phase 4 – CON be placed back into the project, and the LACMTA has a concurrent Letter request for that amount.

The proposed Letter request will be funded by Prop A and Prop C, Lease & General Revenue, CMAQ, and Federal Section 5309 New Starts. The STIP AB 3090 is being funded by “local funding through internal funding methods (commercial paper, etc.).” In the STIP Amendment, it was stated that they were using “short-term borrowing instruments to fund Eastside LRT.”

Approval of the amendment enables the LACMTA to proceed with the AB 1335 Letter request. The LACMTA has submitted a Letter request in accordance with Resolution G-03-12, the Guidelines for Letter of No Prejudice, Traffic Congestion Relief Program, identifying an alternate fund source (concurrent Reference Item 2.1c.(4)). By utilizing the Letter request process, the LACMTA will be able to proceed with the project.

Attachments

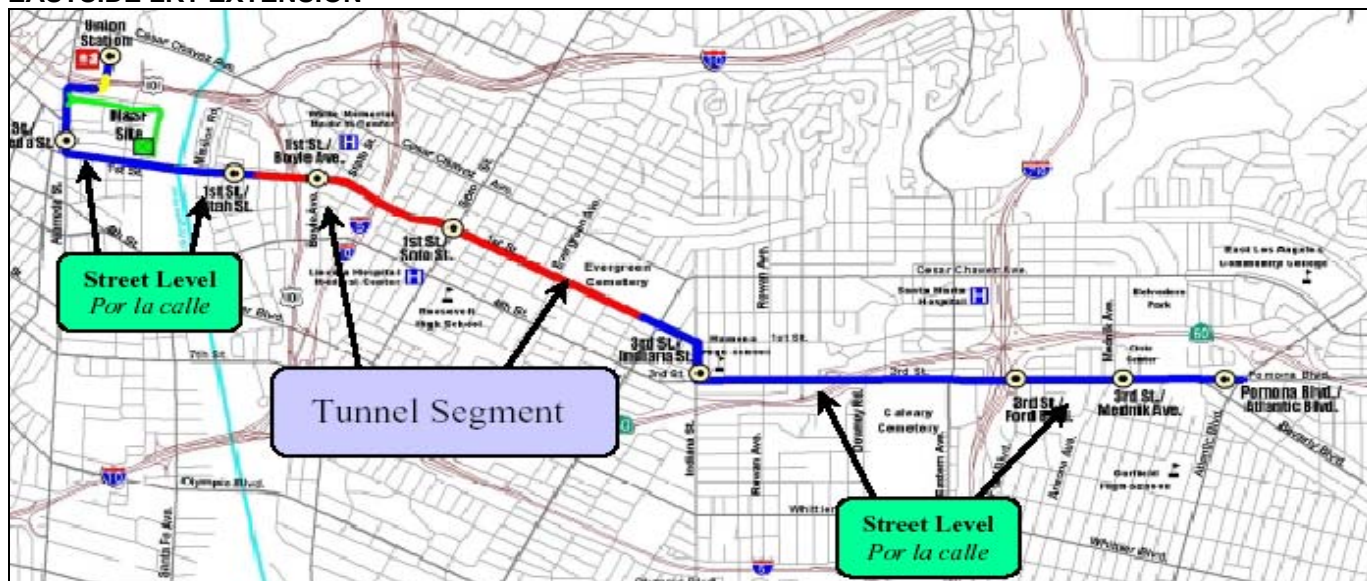
TCR Program – Application Amendment Project #36

Los Angeles Los Angeles Eastside Transit Extension; build new light rail line in East Los Angeles, from Union Station to Atlantic via 1st Street to Lorena in Los Angeles County.

(\$ X 1,000)

Estimated Project Cost: **\$898,814**TCRP Funds Covered by Application: **\$0****\$826,300**Total TCRP Funds Available: **\$236,000**Phase(s) Covered by Application: **All**TCRP Funds Previously Approved for #36: **\$236,000**

Lead Agency: Los Angeles County
Metropolitan Transportation
Authority (LACMTA)

Implementing Agency: **LACMTA**TCRP Allocation Requested Concurrently with Application: **\$0**for Phase(s): **N/A**Advance Requested: **\$0**for Phase(s): **N/A**TCRP Allocations To Date: **\$45,000**for Phase(s): **1,2,3**LONP Requested Concurrently with Application: **\$166,914**for Phase(s): **4****EASTSIDE LRT EXTENSION****Project Summary:**

The Eastside Extension project will construct a six-mile, nine station (eight new) light rail line through East Los Angeles, which will include a 1.8-mile tunnel. The design/build East Side Light Rail Transit Project will also serve as an extension of the Pasadena Gold Line. The lines will be physically connected at Union Station which will serve as a station stop of the Gold line, then continuing on as the East Side line.

Summary of Action: This amendment updates the project schedule and funding tables. Changes proposed by this amendment are reflected in ~~strike through~~ and **bold**. A concurrent LONP request is being submitted under 2.1c.(4).

Reason for Change: Project cost increases have been identified as a result of completing preliminary engineering and starting final design efforts. The Federal Transit Administration (FTA) executed a Full Funding Grant Agreement on June 1, 2004. The construction contract was awarded on June 1, 2004, with a Notice to Proceed on July 1, 2004. Schedule changes are also requested. Part of the delay was due to temporary suspension of TCRP funds. As a result, MTA projects have been re-prioritized and alternative funding had to be found to complete this project. Another schedule delay is attributed to the delay in receiving FTA's Full Funding Grant Agreement, which was required before awarding the construction contract.

Cost and Schedule (\$ x 1,000)

Phase	Scope	Start	End	Cost
1	Environmental (EIR/EIS) and preliminary engineering and design development activities for procurement of design/build contract.	12/00	9/02	\$30,606 \$30,600
2	Carry-out final design plans required to construct light rail system.	8/02	5/04	\$20,000
3	Acquisition of right-of-way required to complete light rail project.	4/02	11/06 9/03	\$40,358 \$48,000
4	Contract One and Two and Light Rail Car Procurement	6/03 10/02	7/10 11/07	\$807,850 \$727,700
Total:				\$898,814 \$826,300

Funding Plan (\$ x 1,000)

Source	Type		Phase 1	Phase 2	Phase 3	Phase 4	Total
TCRP	State	Committed	\$19,500	\$12,500	\$13,000	\$166,914	\$211,914
		Proposed					
STIP	Local	Committed				\$175,000	\$175,000
AB 3090						\$191,000	\$191,000
Agency	Local	Committed				\$16,000	\$16,000
Section 5309	Federal	Committed	\$5,906	\$7,500	\$27,358	\$449,936	\$490,700
New Starts			\$5,900		\$35,000	\$447,400	\$495,800
		Proposed					
Section 5309	Federal	Committed				\$38,900	\$38,900
Fixed		Proposed					
Prop A	Local	Committed				\$47,300	\$47,300
		Proposed					
CMAQ	Federal -	Committed				\$3,100	\$3,100
	Local	Proposed					
STIP -	State	Committed	\$5,200				\$5,200
AB1012		Proposed					
	Totals:	Committed	\$30,606	\$20,000	\$40,358	\$807,850	\$898,814
			\$30,600		\$48,000	\$727,700	\$826,300
		Proposed					
	Totals:		\$30,606	\$20,000	\$40,358	\$807,850	\$898,814
			\$30,600		\$48,000	\$727,700	\$826,300

AB 1335 Letter Funding Plan (\$ x 1,000)

Source	Type	Phase 1	Phase 2	Phase 3	Phase 4	Total
Prop A & C	Local				\$123,414	\$123,414
Lease & Gen'l Revenue	Local				\$10,100	\$10,100
CMAQ	Federal				\$10,300	\$10,300
5309 Fixed Guideway	Federal				\$23,100	\$23,100
	TOTAL				\$166,914	\$166,914

TCRP Funds Available (\$ x 1,000)

Source	Type		Phase 1	Phase 2	Phase 3	Phase 4	Total
TCRP	State	Committed				\$24,086	\$24,086
		Proposed					

Prior TCRP Action:

- Original application was approved on November 1, 2000 (Resolution TA-00-02).
- An Amendment to increase Phase 1 funding to be in line with design/build concept was approved January 18, 2001 (Resolution TA-01-01).
- A subsequent application for Phase 2 – Plans, Specifications & Estimates; Phase 3 – Right of Way; and Phase 4 – Construction was approved on April 3, 2002 (Resolution TA-02-04). A minor amendment was also approved under Resolution TA-02-04 to update the completion date of Phase 1 Environmental.
- A minor amendment to update the project schedule and financial plan was approved April 2002.
- STIP Amendment 02S-052 was approved April 3, 2003, to replace unallocated TCRP funds for Phase 4 – Construction (CON) with STIP funds. The STIP funds were replaced via AB 3090 - \$175,000,000 to be reimbursed at a later date and \$16,000,000 to be a replacement STIP project. The TCRP funds remain programmed under Phase 4 –CON. This fact sheet was updated in August 2003 reflect this action.
- An additional minor amendment was approved July 2002, to update the schedule for Phase 1, Phase 2, and Phase 3, pending FTA Approval to Enter Final Design.

Status of Conditions: No conditions under Resolution TA-00-02, Resolution TA-01-01, or Resolution TA-02-04.

Discussion/Issues:

- The final EIR was reviewed and the Commission approved the project for future consideration of funding on April 4, 2002, under Resolution E-02-26. Regional Transportation Plan documentation is on file.
- In accordance with Section 5.1 of the Guidelines for Traffic Congestion Relief Program, adopted by the CTC on September 28, 2000, under Resolution G-00-23, a Financial Operating Plan will be required prior to an allocation of Phase 4 funding.

CALIFORNIA TRANSPORTATION COMMISSION
Approval of Traffic Congestion Relief Program
Project Application Amendment

RESOLUTION TAA-05-07
Amending Resolution TA-02-04

- 1.1 WHEREAS the Traffic Congestion Relief Act of 2000 (herein after referred to as “statute”), which was established by Chapters 91 (AB 2928) and 656 (SB 1662) of the Statutes of 2000, establishes the Traffic Congestion Relief Program, providing \$5.39 billion for projects throughout the State of California to reduce traffic congestion, provide for safe and efficient movement of goods, and provide system connectivity; and
- 1.2 WHEREAS in accordance with Government Code Section 14556.11 the California Transportation Commission (Commission) has adopted guidelines, in consultation with the Department of Transportation (Department) and regional agencies, to implement the Traffic Congestion Relief (TCR) Program; and
- 1.3 WHEREAS the statute and guidelines require applicants to specify complete project applications, including scope, cost and schedule, financial plans and funding sources; and
- 1.4 WHEREAS the Commission identified those factors leading to changes in project scope, cost, and scheduled and established guidelines for agencies to submit amendments to TCR project applications in Resolution G-00-23, with further clarifications in Resolution G-01-23; and
- 1.5 WHEREAS the Department has reviewed the following TCR application amendment as submitted and found it to be in compliance with the guidelines adopted by the Commission.
- 2.1 NOW THEREFORE BE IT RESOLVED that the Commission does hereby approve the following TCR project application amendment as submitted, with subsequent clarifications and revisions:
 - Project #36 – Los Angeles Eastside Transit Extension; build new light rail line in East Los Angeles, from Union Station to Atlantic via 1st Street to Lorena in Los Angeles County. Amend application to update schedule and funding plan previously approved under Resolution TA-02-04.
Applicant Agency: Los Angeles County Metropolitan Transportation Authority (LACMTA)
Implement Agency: LACMTA;
and
- 2.2 BE IT FURTHER RESOLVED that all conditions stipulated at time of application and/or application amendment approval are still in effect; and
- 2.3 BE IT FURTHER RESOLVED that all applicant agencies shall provide the Commission and the Department with a progress report on April 1st and October 1st of each year on actual expenditures and status of work, until the projects have been completed; and

- 2.4 BE IT FURTHER RESOLVED that this TCR project application approval by the Commission reserves the State funding for the projects as specified by the statute, and allows the applicant agencies to incur costs in accordance with the approved project application, statute and guidelines; and
- 2.5 BE IT FURTHER RESOLVED that Resolution TA-2-04 is hereby amended.